



News Release

For Immediate Release

Contact: Joe DiLaura 317/232-3396

Josh Richardson 317/233-0998

Checks Debit cards are in the mail

First Unemployment Insurance Prepaid Debit Cards sent to recipients

INDIANAPOLIS (December 18, 2006) -- The first batch of prepaid Visa® debit cards has been mailed to unemployment insurance recipients, the Indiana Department of Workforce Development announced today.



About 5,000 of the Visa-branded prepaid debit cards were mailed to recipients last week. The prepaid debit cards will replace unemployment checks and will result in quicker access to funds, increased security and cost-savings to taxpayers. The Indiana Visa Prepaid card is issued by National City Bank.

Last week's mailing represents a large-scale pilot test of the new program. The state is phasing in implementation of the cards to ensure a smooth transition from paper checks. The 5,000 cards mailed last week represent about twenty percent of the total number of Hoosiers collecting unemployment insurance benefits. The remaining recipients will begin receiving their cards after the first of the year.

To inform recipients of the transition, the department began mailing informational flyers on the new cards to recipients in October and to participating banks in November. In addition, a customer-service center has been set up in Gas City to answer questions and help recipients use their cards. Mailings have also been sent to all Visa-banks in the state.

"As we've said before, this is a win-win situation for both recipients and taxpayers," said Andrew Penca, Commissioner of the Department of Workforce Development.

"Recipients will receive their benefits in a more timely fashion, and easily have access to their funds at banks, ATM machines, or at thousands of merchants throughout the state. In addition, the state will save approximately \$1.8 million per year by discontinuing the printing and mailing of weekly unemployment checks."

Under the prepaid debit card program, recipients will have their weekly unemployment benefit electronically loaded onto their cards each week. The state will no longer print and mail unemployment checks.

In an early pilot test of the new system, 25 unemployment insurance recipients from central Indiana have been using the prepaid debit cards since October. The pilot participants were able to withdraw their funds at banks, ATMs and at merchants who accept Visa cards. These pilot testers were used to help identify any technical issues related to the use of the cards. The broader pilot that was launched last week has been undertaken to raise awareness of the program among participants and participating banks and merchants, and to further test the system throughout the state.

One of the initial pilot participants, Jack Money of Indianapolis said his experience in using the debit card has been “very positive.” He said “it’s easy, it’s fast, it’s efficient. You don’t have to deal with the banking system when you use the cards at merchants.”

“By providing Visa prepaid debit cards to distribute unemployment insurance funds, the state of Indiana will offer its benefit recipients faster, safer and more convenient access to funds,” said Nizam Antoo, vice president, prepaid products, Visa USA. “In addition to providing substantial consumer benefit, prepaid card programs streamline the payment process for states, are more efficient to administer, and offer significant cost savings over check disbursements.”

The state announced in December of 2005 that it would replace paper unemployment checks with the prepaid debit cards.

Prepaid card users will have access to their funds at all Visa member financial institutions and ATMs in the state that accept Visa debit cards, and will be able to redeem their funds for no fee at a Visa member financial institutions or at a network of 600 ATM machines. In addition, recipients will be able to receive cash back on transactions at merchant locations that participate in Visa’s Interlink cash back service. The network of free ATM transactions includes ATMs operated by National City, Old National, 7-Eleven, Alliance One and Money Pass. The network of Visa member financial institutions for free teller transactions includes over 95 percent of the banks in Indiana.

According to a study by the American Bankers Association, payment cards have surpassed cash as the most popular way to buy items at the checkout line. One out of three purchases is now made with debit cards, compared with one in five purchases four years ago.

In 2005, 248,077 individuals received more than 3 million payments totaling \$654 million under the unemployment insurance program. The estimated average payment per claimant per week in 2005 was \$274.

The Indiana Department of Workforce Development is charged with continually improving the Hoosier workforce by assisting companies to create new jobs and improve

worker skills. The agency offers a variety of training and educational grants, partners with Indiana's 26 WorkOne employment centers, administers the unemployment insurance system, provides labor market information, assists employers with preparing workers for layoffs and closures and operates a statewide job placement service.

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Here is the link to the debit card web page and informational materials.

<http://www.in.gov/dwd/debit/>